

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6287

BILL NUMBER: SB 136

NOTE PREPARED: Apr 10, 2003

BILL AMENDED: Apr 9, 2003

SUBJECT: Various election law matters.

FIRST AUTHOR: Sen. Landske

FIRST SPONSOR: Rep. Mahern

BILL STATUS: As Passed - House

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) The bill makes changes to election law relating to the following:

- (1) Voting systems.
- (2) The Election Division Budget.
- (3) Training election workers.
- (4) Form of ballots
- (5) Precinct committeemen and state convention delegates.
- (6) Voter registration.
- (7) Party affiliation and certification of candidates.
- (8) Certification of election results.
- (9) Recounts and challenges.
- (10) Campaign finance reports.
- (11) Disabled voters.
- (12) Sample ballots.
- (13) Electioneering.
- (14) School board tax referenda.
- (15) Candidate vacancies.
- (16) Misrepresenting the status of a candidate.
- (17) Certification of nominees for President and Vice President of the United States.
- (18) Drawing local election districts.
- (19) Withdrawal of candidates for nomination in a primary election.

The bill repeals a superseded statute relating to training election workers. (The introduced version of this bill

was prepared by the Census Data Advisory Committee.)

Effective Date: (Revised) Upon passage; July 1, 2003.

Explanation of State Expenditures: (Revised) (4) *Summary:* Under the bill, the Election Division could see a reduction in ballot cost. If ballots for federal and statewide offices could be printed on one color of paper, the offices could be combined on one ballot.

Background: For the 2000 general election, the cost of paper ballots per 1,000 voters was about \$54.75, while the cost of changing ballots for direct recording electronic voting systems would likely be less. The cost of optical scan ballots were about \$300 per thousand.

(6) Under current law, the Indiana Election Division, through a contractor, must mail a secondary postcard to voters that have duplicate registrations and are registered to vote in a county, when an initial postcard sent by the Division was not returned. Under the bill, the Election Division would be required to only mail a single postcard notification and not a second notification to this group of voters. Removal of a second mailing would save state expenditures by an estimated \$15,000 to \$18,000.

(7) *Summary:* The Indiana Election Division could require additional administrative time to receive and process sworn statements for contests and petitions as described above for state offices. The Election Division would be required to notify the candidate for state office of a denied petition by certified mail.

Background: U.S. Postal Service rates for certified mail are \$2.30 plus \$0.37 for first class postage or, if sent by priority mail, \$3.85 per envelope. A return receipt is \$3.00.

(11) Under current law, the Election Division and county election boards must preserve campaign reports and statements. With certain exceptions, under law, these reports must be maintained for four years after December 1, following the election which the reports belong to, unless the report is being used in litigation.

Under the bill, the Election Division and county election boards could see a reduction in paper filings as they would only be required to keep duplicate reports for two years after the original report was filed.

(13) Under the bill, the criminal classification for violation of state electioneering laws would be reduced from a Class D felony to a Class A misdemeanor. This bill potentially reduces the costs to the state if an offender is convicted of a misdemeanor rather than a felony. Generally, offenders convicted of a misdemeanor who are given a prison term are incarcerated in county jails. A Class D felony is punishable by a prison term ranging between six months to three years or reduction to Class A misdemeanor. The average expenditure to house an adult offender was \$25,087 in FY 2001. Individual facility expenditures ranged from \$18,520 to \$54,465. (This does not include the cost of new construction.)

(15) Under the bill, chairmen of third party state committees would be required to file a notice of intent to fill early candidate vacancies with the Election Division if for Federal, state, and certain other public offices. The Election Division could see an increase in administrative time required to comply with this provision.

Explanation of State Revenues: (Revised) (10) Under current law, a corporation or labor organization may make a contribution to a political action committee if the contribution does not exceed any of the monetary limits prescribed and is designated for disbursement to a specific candidate or committee listed under law. The bill would make violations of this provision subject to a civil penalty. The penalty would include

payment of all investigative costs made by the Election Commission and the greater of either \$1,000 or two times the amount of un-designated contributions. Civil penalties collected under this provision are distributed into the Campaign Finance Enforcement Account. County election boards may also conduct investigations and hearings as long as results are reported back to the Election Commission.

(16) Under the bill, if the Election Commission unanimously determines a person knowingly or intentionally authorizes, finances, sponsors, or participates in the preparation, distribution, or broadcast of paid political advertising or campaign material that falsely represents that a candidate in any election is or has been an officer holder is subject to a civil penalty plus investigative costs of not more than \$500.

If a corporation or labor organization fails to designate a contribution properly under current law, the Commission may assess a penalty of the greater of either \$1,000 or two times the amount of contributions undesignated and any documented investigative expense incurred by the Election Division.

All civil penalties collected, under this provision, would be deposited with the Treasurer of State in the Campaign Finance Enforcement Account.

Explanation of Local Expenditures: (Revised) **(1)** Under the bill, a voting system, that has the capability, must display on the voting medium used to cast ballots the name of the candidate and a ballot number or other candidate designation uniquely associated with the candidate. This would be covered under current expenses for preparation of ballots.

(3) County election boards would be required to have certain precinct election officers in attendance for training on voting equipment. Some counties currently allow a minimal per diem of approximately \$10 to \$15 to attend the training session. As counties with optical scan equipment are already required by state law to hold training sessions for inspectors and sheriffs, it is believed that the fiscal impact of this provision would be minimal. Absentee voter boards would be required to attend a training session before an election. Current law allows counties the option of providing training sessions for members of absentee voter boards.

(4) Under the bill, county election boards could also see a reduction in ballot cost, if local offices were combined and printed on the same color paper as state and federal offices would.

(6) Under the bill, the county election board could reduce expenditures as a result of no longer being required to produce in triplicate a memorandum for each voter's original affidavit of registration or transfer of an original registration executed by the board.

(7) Under the bill, county voter registration and/or election boards could require additional administrative time to process and determine validity of certain petitions for local offices. See *Explanation of State Expenditures*.

(9) Under the bill, local judges would be required to issue notices of a petition for recount to a county election board and the Indiana Election Division (for judge and/or prosecutor only). For a petition filed for a contest of an election, the county sheriff would be required to serve a copy to the county election board and Election Division (for judge and/or prosecutor only).

Courts that appoint recount commissions would be required to issue an order that acknowledges a certificate showing the total number of votes received in the precincts by each candidate for nomination or election to the recounted office. Additionally, the order from the court must discharge the commission and release

election materials impounded during the recount.

There would be additional expenditures required for paper, printing, and postage (if mailed) regarding the above notices and orders.

(10) See *Explanation of State Expenditures*.

(13) County sheriffs may experience slight administrative changes in the preparation of lists of incarcerated persons in a county correctional facility during the previous month. These lists are sent to circuit court clerks. Under current law, the county sheriff must provide a list of these individuals from the previous month four times a year. Under the bill, the list must include the previous three-month period, instead of the previous month.

(14) By extending the deadline for a special election to be conducted, this provision may reduce expenditures if special elections regarding school board tax referenda are conducted at the same time as a general election. Based on a small sample of Indiana counties, precinct election expenses may range from \$600 to \$1,000, depending on the number of precinct/absentee board members serving, what the county pays precinct election board members, and facility rental (if necessary).

(19) The provision could allow a savings to the county election board if primary elections for municipal candidates are not held. Any savings generated by this provision would be dependent on local action.

Explanation of Local Revenues: **(10)** See *Explanation of State Revenues*.

(16) Under the bill, if the election board unanimously determines a person knowingly or intentionally authorizes, finances, sponsors, or participates in the preparation, distribution, or broadcast of paid political advertising or campaign material that falsely represents that a candidate in any election is or has been an officer holder is subject to a civil penalty plus investigative costs of not more than \$500.

If a corporation or labor organization fails to designate a contribution properly under current law, the election board may assess a penalty of the greater of either \$1,000 or two times the amount of contributions undesignated and any documented investigative expense incurred by the election board.

All civil penalties collected, under this provision, would be deposited with the county treasurer in the county campaign finance enforcement account.

State Agencies Affected: Indiana Election Commission, Indiana Election Division.

Local Agencies Affected: Counties, Local school boards. Trial courts, local law enforcement agencies.

Information Sources: Brad King Co-Director of the Indiana Election Division, (317) 232-3939; Various County Circuit Court Clerks/Election Boards.

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